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May 15, 2024

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)

Company name: Techno Smart Corp.
 Listing: Tokyo Stock Exchange
 Securities code: 6246
 URL: <https://www.technosmart.co.jp>
 Representative: Haruhiro Iida, President
 Inquiries: Kaname Takahashi, Operating Officer, General Manager of Administration Div.
 Telephone: +81-6-6253-7200
 Scheduled date of annual general meeting of shareholders: June 25, 2024
 Scheduled date to commence dividend payments: June 26, 2024
 Scheduled date to file annual securities report: June 26, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Non-consolidated Financial Results for the Fiscal year Ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	19,242	(2.2)	2,588	15.9	2,630	15.5	1,804	12.3
March 31, 2023	19,677	16.2	2,232	35.9	2,277	34.5	1,607	38.0

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	146.73	-	9.4	9.1	13.5
March 31, 2023	130.72	-	8.9	8.0	11.3

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2024: ¥ — million

For the fiscal year ended March 31, 2023: ¥ — million

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	29,948	19,707	65.8	1,599.99
March 31, 2023	27,909	18,577	66.6	1,510.99

Reference: Equity

As of March 31, 2024: ¥19,707 million

As of March 31, 2023: ¥18,577 million

(3) Non-consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	1,520	(291)	(1,100)	9,611
March 31, 2023	(459)	(55)	(541)	9,483

2. Cash Dividends

	Annual dividends per share					Total cash dividends	Payout ratio	Ratio of dividends to net assets
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2023	-	19.00	-	55.00	74.00	909	56.6	5.1
Fiscal year ended March 31, 2024	-	38.00	-	41.00	79.00	972	53.8	5.1
Fiscal year ending March 31, 2025 (Forecast)	-	41.00	-	41.00	82.00		59.1	

Breakdown of the year-end dividend for the fiscal year ended March 31, 2023

Ordinary dividend 20.00 yen

Special dividend 35.00 yen

Breakdown of the year-end dividend for the fiscal year ended March 31, 2024

Ordinary dividend 38.00 yen

Special dividend 3.00 yen

3. Forecast of Non-consolidated Financial Results for the Fiscal Year Ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024 (cumulative)	6,630	(31.2)	650	(59.4)	650	(59.9)	450	(59.0)	36.53
Full year	21,000	9.1	2,500	(3.4)	2,510	(4.6)	1,710	(5.2)	138.82

Note: Basic earnings per share is calculated based on the average number of shares outstanding during the period, which uses the number of shares outstanding as of March 31, 2024 (excluding treasury shares).

*** Notes**

(1) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: Yes
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(2) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	12,401,720 shares
As of March 31, 2023	12,401,720 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2024	84,265 shares
As of March 31, 2023	106,828 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2024	12,296,692 shares
Fiscal year ended March 31, 2023	12,294,895 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The above forecasts are based on information available as of the date of publication of this document. The achievement of such forecasts is not guaranteed by the Company.

Actual results may vary significantly from such forecasts due to a variety of factors.

1. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	9,583,051	9,711,442
Notes receivable - trade	5,850	1,021
Accounts receivable - trade	578,676	1,594,596
Electronically recorded monetary claims - operating	6,134,225	1,606,607
Contract assets	4,662,702	9,054,405
Work in process	442,071	607,959
Raw materials and supplies	93,809	234,476
Consumption taxes refund receivable	142,268	300,926
Other	29,366	28,034
Allowance for doubtful accounts	(50,103)	(100,008)
Total current assets	21,621,920	23,039,462
Non-current assets		
Property, plant and equipment		
Buildings	3,618,870	3,637,900
Accumulated depreciation	(1,463,076)	(1,587,590)
Buildings, net	2,155,794	2,050,310
Structures	248,800	326,211
Accumulated depreciation	(200,461)	(172,984)
Structures, net	48,339	153,227
Machinery and equipment	1,265,726	1,265,104
Accumulated depreciation	(1,114,387)	(1,096,496)
Machinery and equipment, net	151,338	168,607
Vehicles	73,470	74,899
Accumulated depreciation	(61,613)	(65,245)
Vehicles, net	11,856	9,653
Tools, furniture and fixtures	194,803	178,291
Accumulated depreciation	(132,513)	(134,374)
Tools, furniture and fixtures, net	62,289	43,916
Land	2,001,209	2,001,209
Construction in progress	16,720	165,887
Total property, plant and equipment	4,447,549	4,592,813
Intangible assets		
Software	47,435	38,095
Other	1,677	1,677
Total intangible assets	49,112	39,772
Investments and other assets		
Investment securities	1,401,899	2,002,702
Investments in capital	12,800	12,800
Long-term prepaid expenses	534	818
Deferred tax assets	253,536	134,648
Other	121,918	125,759
Total investments and other assets	1,790,688	2,276,728
Total non-current assets	6,287,350	6,909,315
Total assets	27,909,270	29,948,777

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	1,128,527	1,058,737
Electronically recorded obligations - operating	3,879,935	3,299,225
Accounts payable - other	98,546	130,311
Accrued expenses	121,338	152,674
Income taxes payable	477,151	550,649
Advances received	1,729,751	3,005,574
Provision for bonuses	239,892	221,406
Provision for bonuses for directors (and other officers)	109,798	127,669
Other	138,892	216,677
Total current liabilities	7,923,834	8,762,926
Non-current liabilities		
Deferred tax liabilities for land revaluation	483,283	483,283
Provision for retirement benefits	918,163	975,135
Asset retirement obligations	6,412	6,412
Provision for share-based payments	-	13,125
Total non-current liabilities	1,407,858	1,477,955
Total liabilities	9,331,693	10,240,882
Net assets		
Shareholders' equity		
Share capital	1,953,930	1,953,930
Capital surplus		
Legal capital surplus	1,466,663	1,466,663
Other capital surplus	216,793	227,167
Total capital surplus	1,683,457	1,693,830
Retained earnings		
Legal retained earnings	109,922	109,922
Other retained earnings		
General reserve	6,500,000	6,500,000
Retained earnings brought forward	6,839,991	7,500,927
Total retained earnings	13,449,914	14,110,850
Treasury shares	(141,307)	(111,500)
Total shareholders' equity	16,945,993	17,647,110
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	536,173	959,015
Deferred gains or losses on hedges	(1,696)	4,661
Revaluation reserve for land	1,097,107	1,097,107
Total valuation and translation adjustments	1,631,583	2,060,784
Total net assets	18,577,577	19,707,895
Total liabilities and net assets	27,909,270	29,948,777

(2) Non-consolidated Statement of Income

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	19,677,406	19,242,406
Cost of sales		
Cost of products manufactured	16,502,946	15,603,552
Gross profit	3,174,459	3,638,853
Selling, general and administrative expenses	941,674	1,050,605
Operating profit	2,232,785	2,588,248
Non-operating income		
Interest income	31	41
Dividend income	44,231	50,880
Rental income	1,926	1,743
Other	10,077	5,668
Total non-operating income	56,265	58,332
Non-operating expenses		
Interest expenses	487	40
Guarantee commission	9,497	12,970
Other	1,944	3,157
Total non-operating expenses	11,930	16,169
Ordinary profit	2,277,120	2,630,411
Extraordinary income		
Gain on sale of non-current assets	200	362
Total extraordinary income	200	362
Extraordinary losses		
Loss on retirement of non-current assets	2,059	840
Total extraordinary losses	2,059	840
Profit before income taxes	2,275,261	2,629,933
Income taxes - current	744,738	885,750
Income taxes - deferred	(76,670)	(60,174)
Total income taxes	668,068	825,576
Profit	1,607,193	1,804,357

(3) Non-consolidated Statements of Changes in Equity
Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Thousands of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Legal retained earnings	Other retained earnings		Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	
Balance at beginning of period	1,953,930	1,466,663	216,793	1,683,457	109,922	6,500,000	5,773,774	12,383,696
Changes during period								
Dividends of surplus							(540,976)	(540,976)
Profit							1,607,193	1,607,193
Purchase of treasury shares								
Disposal of treasury shares								
Net changes in items other than shareholders' equity								
Total changes during period	-	-	-	-	-	-	1,066,217	1,066,217
Balance at end of period	1,953,930	1,466,663	216,793	1,683,457	109,922	6,500,000	6,839,991	13,449,914

	Shareholders' equity		Valuation and translation adjustments				Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	(141,264)	15,879,819	423,997	4,719	1,097,107	1,525,824	17,405,644
Changes during period							
Dividends of surplus		(540,976)					(540,976)
Profit		1,607,193					1,607,193
Purchase of treasury shares	(43)	(43)					(43)
Disposal of treasury shares							
Net changes in items other than shareholders' equity			112,175	(6,416)		105,759	105,759
Total changes during period	(43)	1,066,174	112,175	(6,416)	-	105,759	1,171,933
Balance at end of period	(141,307)	16,945,993	536,173	(1,696)	1,097,107	1,631,583	18,577,577

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
						General reserve	Retained earnings brought forward	
Balance at beginning of period	1,953,930	1,466,663	216,793	1,683,457	109,922	6,500,000	6,839,991	13,449,914
Changes during period								
Dividends of surplus							(1,143,421)	(1,143,421)
Profit							1,804,357	1,804,357
Purchase of treasury shares								
Disposal of treasury shares			10,373	10,373				
Net changes in items other than shareholders' equity								
Total changes during period			10,373	10,373			660,935	660,935
Balance at end of period	1,953,930	1,466,663	227,167	1,693,830	109,922	6,500,000	7,500,927	14,110,850

	Shareholders' equity		Valuation and translation adjustments				Total net assets
	Treasury shares	Total shareholder s' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	(141,307)	16,945,993	536,173	(1,696)	1,097,107	1,631,583	18,577,577
Changes during period							
Dividends of surplus		(1,143,421)					(1,143,421)
Profit		1,804,357					1,804,357
Purchase of treasury shares	(225)	(225)					(225)
Disposal of treasury shares	30,032	40,406					40,406
Net changes in items other than shareholders' equity			422,842	6,358		429,200	429,200
Total changes during period	29,806	701,116	422,842	6,358		429,200	1,130,317
Balance at end of period	(111,500)	17,647,110	959,015	4,661	1,097,107	2,060,784	19,707,895

(4) Non-consolidated Statement of Cash Flows

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	2,275,261	2,629,933
Depreciation	183,802	229,725
Interest and dividend income	(44,262)	(50,921)
Interest expenses	487	40
Decrease (increase) in accounts receivable - trade, and contract assets	(303,312)	(875,175)
Decrease (increase) in inventories	16,372	(306,554)
Decrease (increase) in advance payments to suppliers	359,040	-
Decrease (increase) in consumption taxes refund receivable	418,798	(158,657)
Decrease (increase) in other assets	(2,355)	10,723
Increase (decrease) in trade payables	(3,054,729)	(650,499)
Increase (decrease) in accounts payable - other	3,060	12,679
Increase (decrease) in accrued expenses	24,470	29,136
Increase (decrease) in advances received	132,366	1,275,822
Increase (decrease) in provision for bonuses	65,675	(18,486)
Increase (decrease) in provision for bonuses for directors (and other officers)	45,262	17,870
Increase (decrease) in provision for share-based payments	-	13,125
Increase (decrease) in provision for retirement benefits	60,563	56,972
Increase (decrease) in allowance for doubtful accounts	43,271	49,904
Increase (decrease) in other liabilities	23,638	14,019
Other, net	3,092	3,516
Subtotal	250,504	2,283,175
Interest and dividends received	44,262	50,921
Interest paid	(487)	(40)
Income taxes paid	(753,479)	(813,217)
Net cash provided by (used in) operating activities	(459,199)	1,520,839
Cash flows from investing activities		
Purchase of property, plant and equipment	(22,898)	(282,478)
Proceeds from sale of property, plant and equipment	200	362
Purchase of investment securities	(1,626)	(1,699)
Proceeds from sale of investment securities	500	-
Purchase of intangible assets	(25,355)	(1,342)
Other, net	(6,172)	(6,675)
Net cash provided by (used in) investing activities	(55,353)	(291,832)
Cash flows from financing activities		
Dividends paid	(540,990)	(1,140,796)
Purchase of treasury shares	(43)	(225)
Proceeds from disposal of treasury shares	-	40,406
Net cash provided by (used in) financing activities	(541,033)	(1,100,615)
Net increase (decrease) in cash and cash equivalents	(1,055,586)	128,391
Cash and cash equivalents at beginning of period	10,538,638	9,483,051
Cash and cash equivalents at end of period	9,483,051	9,611,442

2. Supplementary Information

Net Sales, Orders and Order Backlog by Product Segment

(Thousands of yen, %)

Product Segment	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024		
	Amount of money	Composition ratio(%)	Amount of money	Composition ratio(%)	Year-on-year growth(%)
Net sales					
Display-Related Coater	7,464,446	37.9	6,348,526	33.0	(14.9)
Functional Film-Related Coater	5,257,643	26.7	4,388,007	22.8	(16.5)
Electronic Components-Related Coater	1,112,189	5.7	1,998,959	10.4	79.7
Energy-Related Coater	4,536,777	23.1	5,206,388	27.1	14.8
Chemical engineering machinery	22,000	0.1	24,628	0.1	11.9
Others	1,284,349	6.5	1,275,896	6.6	(0.7)
Total	19,677,406	100.0	19,242,406	100.0	(2.2)
Exports	16,537,675	84.0	12,154,175	63.2	(26.5)
Orders					
Display-Related Coater	6,574,218	29.9	14,661,913	60.4	123.0
Functional Film-Related Coater	7,387,780	33.6	1,835,350	7.6	(75.2)
Electronic Components-Related Coater	1,399,975	6.4	936,812	3.9	(33.1)
Energy-Related Coater	5,691,150	25.8	5,963,024	24.5	4.8
Chemical engineering machinery	—	—	37,600	0.1	—
Others	963,921	4.3	853,315	3.5	(11.5)
Total	22,017,045	100.0	24,288,015	100.0	10.3
Exports	13,789,900	62.6	13,718,267	56.5	(0.5)
Orders Backlog					
Display-Related Coater	7,029,594	26.2	15,342,982	48.2	118.3
Functional Film-Related Coater	9,645,651	36.0	7,092,994	22.3	(26.5)
Electronic Components-Related Coater	2,121,370	7.9	1,059,223	3.3	(50.1)
Energy-Related Coater	7,126,669	26.6	7,883,304	24.8	10.6
Chemical engineering machinery	—	—	12,972	0.0	—
Others	880,340	3.3	457,759	1.4	(48.0)
Total	26,803,626	100.0	31,849,236	100.0	18.8
Exports	15,874,699	59.2	17,438,791	54.8	9.9